



Legislative Fiscal Office  
 83<sup>rd</sup> Oregon Legislative Assembly  
 2025 Regular Session

Prepared by: MaryMichelle Sosne  
 Reviewed by: Wendy Gibson, Matt Stayner  
 Date: March 20, 2025

**Bill Title:** Relating to schools; prescribing an effective date.

**Government Unit(s) Affected:** Oregon Health Authority, School Districts, Department of Education

**Summary of Fiscal Impact**

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ 7,000,000	\$ -	\$ -	\$ -	\$ 7,000,000	-	-
<b>Total Fiscal Impact</b>	<b>\$ 7,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,000,000</b>	<b>-</b>	<b>-</b>

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Oregon Health Authority	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
<b>Total Fiscal Impact</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

- This fiscal impact assumes grant funding is a one-time General Fund appropriation.

**Measure Description**

The measure appropriates \$7 million General Fund to the Oregon Health Authority (OHA) to implement a grant program designed to increase and improve school-based mental health services and substance use prevention, screening, referral, and treatment services. OHA is directed to study options to provide or increase reimbursement for mental health services for school-based health centers under medical assistance programs. The measure takes effect on the 91st day following sine die.

**Fiscal Analysis**

In lieu of establishing a new grant program, OHA intends to use this funding to support existing grant programs that meet the requirements of the measure. \$4 million will be allocated to the existing School-Based Health Center Mental Health Expansion Grants Program (MHEG), The remaining \$3 million will be allocated to Community Mental Health Programs (CMHP).

The additional \$4 million for MHEG programs will be used to increase the level of current funding to comport with a previously determined formula that allocates grant monies to medical sponsoring agencies within each county based on the number of student-based health care centers operated by that agency within a county. Under that formula, the medical sponsoring agency is intended to receive \$175,000 for their first school-based health center, \$125,000 for their second and \$50,000 for each subsequent site, however, the formula is not currently fully funded. The additional monies provided by the bill will be used to span the shortfall between the formula-based funding level and the current available funding.

OHA intends to distribute \$2.3 million through County Funding Agreements (CFA) to increase staff, specifically therapists and skills trainers, in rural community mental health programs to increase on campus capacity to

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2729 - A**

provide mental health services. OHA intends to distribute the remaining \$700,000 to Tribes for mental health services and substance use prevention. OHA has already begun its review of reimbursement strategies for school-based health centers under medical assistance programs and can absorb ongoing costs to complete the study.

The measure has a minimal fiscal impact on the Department of Education and no fiscal impact on school districts.

**Relevant Dates**

The measure takes effect on the 91st day after sine die.